

SUBCOMMITTEE 1

FINAL ACTION REPORT

LEGEND: The *Senate* column shows changes to the Governor's January budget proposal, as adopted by the Senate in May. The **AB 425** column indicates whether the Senate action was sustained (Adopted) or an alternative action was taken when the Senate passed the budget on June 29th and August 31st.

Senate Budget and Fiscal Review

Members

Jack O'Connell, Chair
John Vasconcellos
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Consultants

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Senate

AB 425

0558 OFFICE OF THE SECRETARY FOR EDUCATION

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|---|-------------|------------|
| 1. Eliminated the Volunteer and Mentor Service Program. Administration reduced by \$4.3 million to \$5.7 million in its May Revision letter. The Subcommittee reduced the program by the remaining \$5.7 million. | -10,000,000 | -5,000,000 |
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6110 DEPARTMENT OF EDUCATION

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| 1. Adjusted January 10 average daily attendance (ADA) funding by \$290.0 million GF to account for a May Revision ADA adjustment from 1.07 to 1.37. Conference Committee sustained this adjustment. | 290,000,000 | Adopted |
| 2. Approved \$107.6 million GF for the K-12 cost of living adjustment (COLA) funding from May Revision adjusted 1.66 percent (from the 2.15 percent January 10 estimate) to 2.0 percent for district and county office of education (COE) apportionments and special education. Conference Committee sustained this adjustment. | -43,045,000 | Adopted |
| 3. Approved a \$12.0 million GF decrease in COLA funding for various categorical programs due to the May Revision COLA adjustment from 2.15% to 1.66%. Conference Committee provided a 2.0% COLA to these categorical programs, at an additional cost of \$26 million. | -12,000,000 | 14,000,000 |
| 4. Approved a 2.0% COLA adjustment for ROCP programs rather than the proposed 1.66 percent. The amount necessary to increase the COLA to 2.0 percent would be transferred from the ROCP growth funding. Conference Committee provided a 2.0% COLA for this program, with full growth funding. | 7,317,000 | Adopted |
| 5. Approved \$36.0 million GF for PERS reduction. This restores funding for this Item in 2002-03. Senate Bill SB 5xxx (Peace), which enacted the Administration's proposed 2001-02 "November Revision," as revised by the Legislature, had suspended funding for PERS reduction until 2003-04. Conference Committee sustained this adjustment. | 36,000,000 | Adopted |
| 6. Approved \$42.0 million GF for school district equalization. This continues funding for this Item in 2002-03. Senate Bill SB 5xxx (Peace), which enacted the Administration's proposed 2001-02 "November Revision," as revised by the Legislature, excluded the 2001-02 appropriation from the school district base revenue limits and delayed, until 2003-04 continued funding for school district equalization which would be included in the school district base revenue limits. Conference Committee sustained this adjustment. | 42,000,000 | Adopted |

	Senate	AB 425
7. Restored \$23.1 million GF for a proposed 10 percent apportionment reduction for school districts for students participating in independent study programs. Conference Committee sustained this adjustment.	23,100,000	Adopted
8. Restored \$14.6 million GF for a January 10 proposed County Office of Education, County Community Schools "Type C" student, apportionment reduction to the level of the student's district of origin and an additional 10 percent reduction. Conference Committee sustained this adjustment.	14,600,000	Adopted
9. Restored \$23.0 million GF of a January 10, \$36.0 million reduction for Adult Education CalWORKs "overcap" funding. Conference Committee sustained this adjustment.	-13,000,000	Adopted
10. Restored the Healthy Start program for 2002-03 with \$19.0 million GF. The Governor's Jan 10, budget did not provide any funding for this program. The base funding for this program in 2001-02, before the "November Revision" \$38 million reduction, was \$39.0 million. Conference Committee sustained this adjustment.	19,000,000	Adopted
11. Approved \$197.0 million for the Low Performing High Priority Schools Program. Conference Committee sustained this appropriation level.	197,000,000	Adopted
12. Reserved \$20.0 million GF in planning grant funding for High Priority, decile 2 schools, as provided in SB 1xxx (Peace), which reduced the 2001-02, \$197.0 appropriation for the High Priority School program (AB 961, Statutes of 2001), to \$38.0 million. Conference Committee provided this level of funding from budget year funding.	20,000,000	
13. Approved \$10.0 million GF for facilities for charter schools that operate in low-income attendance areas. Conference Committee sustained this funding level.	10,000,000	Adopted
14. Restored \$5.0 million in 2001-02 GF for facilities for charter schools that operate in low income attendance areas. This item was reduced by \$5.0 million in 2001-02, per the enactment of SB 1xxx (Peace). Conference Committee reverted this funding.	5,000,000	
15. Maintained funding for the Advancement Via Individual Determination (AVID) program at \$12.0 million GF. The May Revision proposed reducing this Item by \$6.3 million. The \$300,000 reduction is to be taken from program administration. Conference Committee restored all funding for this program.	6,000,000	6,300,000
16. Restored a line item and \$17.5 million (ongoing) GF for K-4 classroom and school libraries. The Administration's Jan 10 budget proposed \$100.0 million in one-time, Proposition 98 Reversion Account funds for K-12 school, and K-4 classroom libraries. The May	17,500,000	24,429,000

Senate

AB 425

Revision proposed (through urgency statute to be enacted prior to June, 30, 2003) to transfer to 2001-02 the funding provided in the Proposition 98 Reversion Account in order to “free up” a like amount of GF in 2002-03. This is possible because the state is substantially above the 2001-02 Proposition 98 “Test 3” minimum funding level and will not affect the statutory requirement to meet this minimum. This funding was The Administration has proposed, per AB 1781 (Hertzberg), to subsume funding for school and classroom libraries into a consolidated Instructional Materials Block Grant. Conference Committee provided \$24.4 million for this program.

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| 17. Approved \$250.0 million for an Instructional Materials Block Grant to be allocated pursuant to legislation enacted in the 2002-03 Regular Session. Conference Committee sustained this funding level. | 250,000,000 | Adopted |
| 18. Approved \$150.0 million (one-time) GF for Instructional Materials to be allocated pursuant to legislation enacted in the 2002-03 Regular Session. As proposed by the Governor’s Budget, \$200 million in one-time Proposition 98 Reversion Account funds were to be allocated to districts for standards-based Reading and Language Arts materials. The May Revision reduced this amount to \$150.0 million and proposed provisional language that required school districts to certify that it would purchase standards-aligned Reading and Language Arts materials. Conference Committee sustained this funding level. | 150,000,000 | Adopted |
| 19. Approved \$30.4 million for the Elementary schools Intensive Reading Program. Conference Committee increased the COLA for this program to 2.0%. | 30,447,000 | 30,549,000 |
| 20. Approved \$12.7 million for the 7 th and 8 th Grade Math Academies Program. Conference Committee increased the COLA for this program to 2.0%. | 12,717,000 | 12,760,000 |
| 21. Approved \$448,226,000 for Remedial Supplemental Instruction Programs. Conference Committee increased the COLA for this program to 2.0%. | 448,226,000 | 449,726,000 |
| 22. Approved \$1.7 billion for the K-3 Class Size Reduction (CSR) Program. Conference Committee increased the COLA for this program to 2.0% and provided \$10.3 million in one-time funds for a current year deficiency in this program. | 1,653,804,000 | 1,659,336,000 |

	Senate	AB 425
23. Approved \$135.2 million for the 9 th Grade Class Size Reduction (CSR) Program. Conference Committee increased the COLA for this program to 2.0% and reduced funding due to anticipated savings.	135,185,000	110,185,000
24. Adopted May Revision proposal to delay the Governor's Reading Awards Program by one year (-\$4.0 million). Also deleted funding for the California READS program (-\$0.750 million). Conference Committee sustained these adjustments.	-4,750,000	Adopted
25. Set-aside \$5.0 million of federal, adult education, English Literacy Civics funding for an agreement with the Department of Community Services and Development to provide citizenship and naturalization services. Conference Committee sustained this adjustment.	5,000,000	Adopted
26. Transferred \$6.0 million in expected Immediate Intervention / Underperforming Schools Program (II/USP) funds to a new "Corrective Actions" schedule under the Public School Accountability Act (PSAA) Item. The funds are to support schools working with School Assistance and Intervention Teams as part of the II/USP program.	Adopted	Adopted
27. Approved \$1.0 million of additional federal IDEA funds, for an FSR to be developed by the CDE to develop and implement an integrated data system for special education that incorporates data from all monitoring sources. The funds would be set aside contingent upon DOF approval of an FSR. Conference Committee deleted this augmentation.	1,000,000	
28. Augmented by \$1.7 million, federal funding for Family Empowerment Centers on Disabilities pursuant to Chapter 690, Statutes of 2001 (SB 511, Alpert). The January 10 budget provides \$2.4 million for this purpose. Conference Committee sustained this adjustment.	1,700,000	Adopted
29. Approved \$10.5 million, federal NCLB Act funds, to be set-aside for allocation pursuant to legislation to be enacted in the 2001-02 Regular Session, for various data requirements of the reauthorized federal re-authorized ESEA: No Child Left Behind (NCLB) Act of 2001, including the development of a longitudinal database. Conference Committee reduced the funding level for this project.	10,500,000	6,880,000
30. Approved \$78.8 million federal NCLB Act Title V Innovative Program funds for the Intermediate Intervention and Underperforming Schools Program (\$39.7 million) and the federal Comprehensive School Reform Demonstration Program, subject to the 30/45 day notification language specified below. Conference Committee sustained this adjustment.	78,874,000	Adopted

	Senate	AB 425
31. Approved \$400,000 for an interagency agreement with DOF to fund a study to determine the cost of a potential Special Education behavior Intervention mandate. Conference Committee sustained this adjustment.	400,000	Adopted
32. Approved May Revision proposal to reduce funding to the California School Information Services (CSIS) local assistance from \$11.0 million to \$7.0 million. Funding for the Fiscal Crisis Management Assistance Team (FCMAT) administration for this program was also reduced from \$4.5 million to \$4.29 million. Due to the Proposition 98 Reversion Account funding “swap,” this program is now funded with 2002-03 GF. Conference Committee sustained this adjustment.	7,000,000	Adopted
33. Approved \$1.4 million federal funds, for the continued development of the Alternative Schools Accountability Model to include alternative schools within the state’s system of accountability. Conference Committee sustained this adjustment.	1,445,000	Adopted
34. Approved \$500,000, one-time federal funds, to develop training materials and provide technical assistance to schools regarding statewide standards and assessments for pupils with disabilities. Conference Committee sustained this adjustment.	500,000	Adopted
35. Approved \$3.0 million in one-time federal funds to study and develop an alternative assessment for pupils who cannot participate in the High School Exit Examination even with accommodations or modifications. Conference Committee deleted funding for this purpose. Costs for this project may be paid for through the Title VI “set aside.”	3,000,000	
36. Approved \$800,000 in federal funds for development of the fifth grade STAR science test to comply with the federal NCLB Act of 2001. Conference Committee deleted funding for this purpose. Costs for this project may be paid for through the Title VI “set aside.”	800,000	
37. Approved \$4.4 million GF for the California English Language Development Test (CELDT). Conference Committee increased the COLA for this program to 2.0%.	4,436,995	4,437,000
38. Approved \$1.0 million federal NCLB funds for the CELDT to be distributed equally between a pilot program of a computer-based version of the CELDT and additional test item development. Conference Committee provided no funding for the computer-based pilot, and \$2 million for CELDT item development.	1,000,000	2,000,000
39. Approved \$8.8 million federal NCLB funds to be set-aside for activities related to developing and improving the statewide system of testing and accountability. Conference Committee reduced this amount.	8,800,000	3,700,000

	Senate	AB 425
40. Approved \$4.3 million, federal funds for Title I No Child Left Behind (NCLB) Act for the Neglected and Delinquent Children program. Conference Committee sustained this adjustment.	4,320,000	Adopted
41. Approved deletion of \$50.0 million that was included in the January 10 budget for the Certificated Staff Awards program. Conference Committee sustained this adjustment.	-50,000,000	Adopted
42. Approved delayed payment of \$157.0 million for the Governor's Performance Awards to 2003-04. Conference Committee approved \$77 million for this purpose in 2002-03.	-157,000,000	-80,000,000
43. Deleted funding for the School Crime Report II Mandate. Conference Committee sustained this adjustment.	-7,500,000	Adopted
44. Approved \$244.7 million in federal Title III Language Acquisition funds (\$110.3 million) and Title I Migrant Education funds (\$134.4 million). Conference Committee sustained this adjustment.	244,668,000	-224,688,000
45. Approved \$83.8 million federal funds for Education Technology. Conference Committee reduced this amount.	83,312,000	83,000,000
46. Approved \$131.6 million for Title I Part B of the NCLB Act (Reading First Program). Conference Committee sustained this adjustment.	131,600,000	Adopted
47. Deleted \$8.0 million for the Secondary Schools Reading Program. Conference Committee sustained this adjustment.	-8,000,000	Adopted
48. Conference Committee deferred funding for the Digital High School Program to the 2003-04 fiscal year. Budget year funding for this program will be provided in the 2003-04 budget.		-61,000,000
49. Conference Committee deferred funding for several mandates to the 2003-04 fiscal year.		-20,460,000
50. Conference Committee deferred funding for the School Improvement program to the 2003-04 fiscal year. 2002-03 funding for this program was appropriated in separate legislation.		-429,191,000
51. Conference Committee approved \$406 million in 2003-04 funding for revenue limit equalization. The appropriation for this purpose was contained in separate legislation.		406,000,000
52. Conference Committee deferred \$46.6 million in funding for the STAR program to the 2003-04 fiscal year. 2002-03 funding for this program was appropriated in separate legislation.		46,600,000
53. Approved \$28.9 million for the Miller-Unruh Basic Reading Act. Conference Committee increased the COLA for this program to 2.0%.	28,833,000	28,929,000

Senate

AB 425

Budget Bill Language

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| 1. Adopts language that would allow one district to encumber the remaining funds from the Licensed Children's Institute/Nonpublic School Pilot program established in the 2001-02 Budget Act. Sweetwater Union School District was the sole district meeting the criteria in 2001-02 for the pilot program funded out of federal emergency impaction funds. The funds are to be available in the event a court orders or advises the closure of a NPS /LCI and the SELPA in which the LCI is located is required to provide for special education and related services to those individuals being served by the LCI at the time of closure. Conference Committee sustained this action. | Adopted | Adopted |
| 2. Specifies that the federal funds (\$8.8 million) set-aside for activities related to developing and improving the statewide testing and accountability shall be available for encumbrance only upon the prior approval by the Department of Finance of an expenditure plan submitted by the Department of Education detailing the proposed use of this funding and subject to the notification requirement outlined in #3 below. Conference Committee sustained this action. | Adopted | Adopted |
| 3. Specifies that the State Board of Education and the Superintendent of Public Instruction may not adopt or amend any plan for the expenditure of federal NCLB funds (as specified) except upon advance notice provided to the Joint Legislative Budget Committee and the chairs of the fiscal and policy committees that consider education and appropriations in both houses of the Legislature. Advance notice shall be 30 days if the plan for the expenditure is submitted between January 1 st and August 30 th of the year, and advance notice shall be 45 days if the plan for expenditure is submitted between September 1 st and December 31 st of the year. Conference Committee sustained this action. | Adopted | Adopted |
| 4. Specifies that the CDE will issue a request for applications that gives equal priority for receipt of 2002-03 Comprehensive School Reform Demonstration Program (CSRD) funding for the following two groups of schools: 1) Title I school identified as being in need of improvement or corrective action and 2) schools in decile 1 of the API that were invited to apply for the High Priority schools Grant Program and not already funded by that program or by the CSRD program. Schools from group 2 above that submit CSRD application meeting required criteria may choose to be funded at \$400 per pupil for one year with continuation grants for two additional years and are required to meet the requirements of the High Priority Schools Grant Program. Schools not participating in the High Priority | Adopted | Adopted |

	Senate	AB 425
Schools Grant program that are selected for the CSRD program will be funded at \$200 per pupil. Conference Committee sustained this action.		
5. Authorizes SPI to authorize not more than twenty school districts for a pilot program to claim and implement funding provided by the Elementary School Intensive Reading Program, as a block grant for the purposes of providing intensive reading instruction to students in K-4. As part of the district's application a district may request, and the SPI may approve, waivers of specific requirements for the elementary Schools Intensive Reading Program. Conference Committee sustained this action.	Adopted	Adopted
<i>Trailer Bill Language</i>		
1. Suspends School Bus Safety II Mandate for 2002-03. Conference sustained this action.	Adopted	Adopted
2. Restores authorization for 70 percent state revenue limit funding for "basic aid" school districts, for those students who were transferred to surrounding school districts pursuant to a desegregation court order. Statutory authorization for this payment was repealed in the 2001-02 budget which consolidated the funding for court-ordered desegregation programs into the Targeted Instructional Improvement Block Grant. Conference Committee sustained this action.	Adopted	Adopted
3. Imposes a three-year (30-50-70 percent) phase-in of SB 955 to ultimately implement a 70 percent in-lieu, property tax transfer for basic aid districts. This represents a "clean-up" of the provisions of Chapter 586, Statutes of 2001-02, SB 955 (Alpert) which limits—to the lesser of the charter school's revenue limit or the basic aid district property tax per pupil—the amount of property tax transferred in support of pupils who reside in a basic aid district, but attend a charter school in a non-basic aid district. Conference Committee sustained this action. This language appears in AB 1100 (Simitian)	Adopted	Adopted
4. Allows special education local plan areas to receive funds provided to permanently increase the amount per unit of average daily attendance in 2002-03. (Allows "pass-through of \$10.9 million after first ensuring full funding of special education instruction including preschools is funded in 2002-03, to local SELPAs on a per ADA basis). Conference Committee sustained this action.	Adopted	Adopted
5. Adopts the May Revision COLA factors. Conference Committee changed the COLA percentage provided to categorical programs to 2.0%.	Adopted	Revised

	Senate	AB 425
6. Denies May Revision proposal to fund the Charter School Categorical Block Grant (CSCBG) based on a one-year lag in Proposition 98 appropriations (i.e. the 2001-02 Budget Act). Approved funding for CSCBG based on 2002-03 Budget Act. Conference Committee sustained this action.	Adopted	Adopted

6110 DEPARTMENT OF EDUCATION – CHILD CARE, CHILD DEVELOPMENT AND NUTRITION PROGRAMS

1. Supported the Administration's withdrawal of the child care system reforms proposed in January.		
2. Fully-funded Stage 2 child care services for CalWORKS recipients and the Stage 3 "set-aside" for former Cal WORKS recipients. Funding to support the Stage 3 "set-aside" was derived from a variety of predominately one-time state GF and federal fund sources.		
3. Provided a total of \$63 million from both state General Fund (\$22.2 million) and the new Federal 21 st Century Learning Program (\$40.9 million) to expand before and after school programs. Development and implementation of the new 21 st Century Learning Program will occur pursuant to provisional Budget Bill Language.	75,000,000	63,000,000
4. Restored the Child Development Policy Advisory Committee (CDPAC), which the Governor proposed to eliminate as part of his January budget.	133,000	Adopted

Budget Bill Language

1. Adds Sacramento to the list of public television stations eligible for state funding to support pre-school educational programming.	Adopted	Adopted
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Trailer Bill Language

1. Denies trailer bill language proposed by the Administration which would have eliminated the Child Development Policy Advisory Committee (CDPAC).		
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Senate

AB 425

6110 DEPARTMENT OF EDUCATION – TEACHER TRAINING & PROFESSIONAL DEVELOPMENT

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|---|-------------|---------|
| 1. Provided funding, pursuant to the May Revision, to support the Principal Training Program (\$7.5 million GF and \$1.6 million federal funds). | 9,100,000 | Adopted |
| 2. Adopted the Governor's May Revision proposal to shift funding for the University of California Professional Development Institutes (PDIs) to K-12 and fund with new federal funds. | Adopted | Adopted |
| 3. Approved Governor's proposed funding level for the Peer Assistance and Review Program, as adjusted for growth and COLA in the May Revision. | 86,737,000 | Adopted |
| 4. Restored funding for teacher professional development through the Exploratorium (using federal funds). | 500,000 | Adopted |
| 5. Reduced funding for the University of California Subject Matter Projects (-15.3 million) and augmented the Science Project with (\$5 million federal funds). | -10,300,000 | Adopted |
| 6. Retained Governor's level of support for the Teacher Incentives National Board Certification. | 10,000,000 | Adopted |

6120 CALIFORNIA STATE LIBRARY

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|---|------------|-----------|
| 1. Denied the Governor's May Revision to eliminate \$750,000 for Civil Liberties Public Education Grants and restored full funding in order to allow the program to support K-12 curriculum development and dissemination. | 375,000 | 750,000 |
| 2. Denied the Governor's May Revision and restored partial funding for the Public Library Foundation in order to continue support for local libraries (total appropriation of \$31.5 million). | 17,684,000 | 1,532,000 |
| 3. Restored two positions within the California Research Bureau with dollars previously allocated for research contracts to support public policy research. The two restored positions will provide public policy research to the Legislature and the Governor. | Adopted | Adopted |

6420 CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

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| 1. Restored funding for the California Postsecondary Education Commission (CPEC). The Governor's May Revision proposed a funding level that would have the practical effect of eliminating the agency (total appropriation level is \$2.2 million). | 2,800,000 | 2,160,000 |
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Senate

AB 425

Supplemental Report Language

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| 1. Requests CPEC to convene a task force to examine and develop recommendations on a long-term student fee policy. | Adopted | Adopted |
| 2. Requests CPEC to convene a task force to examine the structure of financial aid delivery and make recommendations related to improving the system. | Adopted | Adopted |
| 3. Specifies priority for CPEC's statutory activities, given the reduced funding level for the 2002-03 Fiscal Year. | Adopted | Adopted |

6440 UNIVERSITY OF CALIFORNIA

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| 1. Provided \$47.6 million, pursuant to the Governor's January proposal, to allow for a 1.5 percent increase in the base budget. | | Adopted |
| 2. Provided \$69.2 million to support an additional 7,700 full-time equivalent students (FTES), which brings projected enrollment to 189,628 FTES in 2002-03. This total includes approval of the May Revision request to fund an additional 600 FTES. | 69,200,000 | Adopted |
| 3. Provided \$8.4 million to summer session students at the Davis campus, with provisional language to ensure that the funds are tied to specified summer enrollment growth targets. | 8,400,000 | Adopted |
| 4. Reduced funding for state-supported research, consistent with the May Revision, and adopted alternative Budget Bill language to ensure that research program reductions are spread equally amongst all state-supported research programs. | -32,000,000 | Adopted |
| 5. Altered the Governor's May Revision proposal by partially restoring funding (total of \$25 million) for student outreach efforts. Of this amount, 4.3 million will be derived from an increase in non-resident student fees by six percent. Included in the restoration are the following programs: | | 24,977,000 |
| • \$5.5 million for Graduate and Professional School Outreach. | 1,000,000 | 5,561,000 |
| • \$809,000 for the UC ACCORD Research/Outreach Program. | 250,000 | 809,000 |
| • \$250,000 for the UC Arts Bridge Program. | | 250,000 |
| • \$2.3 million for the outreach in the Central Valley. | | 2,316,000 |
| 6. Reduced funding on a one-time basis, consistent with the May Revision, for information technology, instructional equipment, library materials, and deferred maintenance. | -29,000,000 | Adopted |
| 7. Reduced funding, pursuant to the May Revision, for UC's K-12 Internet2 Project. | 5,150,000 | Adopted |
| 8. Shifted funding for the UC Professional Development Institutes to K-12 education. | -50,866,000 | |
| 9. Provided full funding to support start-up costs at the UC Merced campus. | 13,900,000 | Adopted |

Senate

AB 425

Budget Bill Language

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| 1. Directs UC to reduce \$32 million for general state-support research by reducing each state-supported research program by ten percent. | Adopted | Adopted |
| 2. Specifies the expenditure of funds provided for UC Student Outreach activities. | Adopted | Adopted |

Supplemental Report Language

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| 1. Expresses the intent of the Legislature that UC assist high schools in (a) helping to ensure that schools are informed about the requirements for ensuring that A through G courses are “certified” and (b) ensuring that students are well informed on the A through G course pattern and the curriculum needed to be admitted to a UC or California State University campus. | Adopted | Adopted |
| 2. Requests the UC report on the availability and uses of institutional-based financial aid. | Adopted | Adopted |

6610 CALIFORNIA STATE UNIVERSITY

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|--|-------------|---------|
| 1. Provided \$37.7 million, pursuant to the Governor’s January budget proposal, to allow for a 1.5 percent increase in the base budget. | 37,700,000 | Adopted |
| 2. Provided \$97.6 million to fund an additional 15,038 FTE students, to bring projected enrollment to 321,132 FTES in 2002-03. | 97,600,000 | Adopted |
| 3. Converted the Governor’s Teaching Fellowship Awards to Assumption program of Loans for Education. This action will save \$21 million in 2002-03 and make the program consistent with existing teaching-related loan forgiveness programs. | -21,000,000 | Adopted |
| 4. Approved the expenditure of funds derived from a 15 percent increase in nonresident student fees in order to support CSU faculty compensation. | 16,908,000 | Adopted |
| 5. Approved, consistent with the May Revision, reductions to CSU’s budget for instructional materials, deferred maintenance, information technology and library materials. Further, the committee adopted Budget Bill language to ensure that reductions are made in these specific program areas. | -43,000,000 | Adopted |
| 6. Eliminated support for the CSU Education Technology Program, consistent with the Governor’s January and May Revision proposals. | -12,500,000 | Adopted |

Senate

AB 425

Budget Bill Language

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| 1. Specifies that one-time budget reductions of \$49 million are to be taken in specified programmatic areas. | Adopted | Adopted |
| 2. Requires the CSU to defer new expenditures related to the CMS/Peoplesoft project in the 2002-03 fiscal year, and until the California Bureau of State Audits completes its audit review of the project. | Adopted | Adopted |

Supplemental Report Language

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| 1. Requests the CSU to report on the availability and uses of institutional-based financial aid. | Adopted | Adopted |
| 2. States the intent of the Legislature that funds allocated for faculty compensation be spent on faculty compensation, in accordance with the collective bargaining agreements. Further, language requests that CSU report the funds expended on faculty compensation by a specified date. | Adopted | Adopted |

6870 CALIFORNIA COMMUNITY COLLEGES

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| 1. Approved \$114.3 million, consistent with the Governor's January Budget proposal, to support a 3 percent growth in student enrollments. | 114,300,000 | Adopted |
| 2. Approved \$79.5 million to fund a 2.0 percent cost-of-living-adjustment (COLA) for both general purpose apportionments and categorical programs (consistent with K-12). | 78,500,000 | 79,500,000 |
| 3. Approved the Governor's January budget proposal to reduce funding for the Telecommunications and Technology program by \$19.8 million. | -19,800,000 | Adopted |
| 4. Approved the Governor's January budget proposal to eliminate funding for the Fund for Student Success pilot program by \$10 million. | -10,000,000 | Adopted |
| 5. Approved Governor's proposal to reduce funding for the Economic Development by \$9.9 million; adopted revised provisional language altering the distribution of the remaining funds within the program. | -9,900,000 | Adopted |
| 6. Provided \$29 million augmentation for services to CalWORKs recipients. Of this amount, \$20 million was consistent with the Governor's May Revision proposal; \$9 million is one-time funding from the Proposition 98 reversion account. | 29,000,000 | Adopted |

	Senate	AB 425
7. Restored partial funding for community colleges Matriculation Services in order to continue providing incoming students with academic counseling and assessment. (Senate restored funding on a one-time basis, but the Budget Conference Committee restored the funding on an on-going basis).	17,000,000	14,800,000
8. Restored partial funding for community college faculty and staff development. (Senate restored funds on a one-time basis but the Budget Conference Committee made the restoration on-going).	2,000,000	1,000,000
9. Created a new budget item which allows the community colleges to "carry forward" up to \$20 million otherwise un-used categorical programs funds to the following year, in order to help backfill reductions in the CalWORKS, Matriculation and Faculty and Staff Development Programs.	Adopted	Adopted

Budget Bill Language

1. Adopts revised provisional language which alters the allocation of funds available for the Economic Development (Ed>Net program).	Adopted	Adopted
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7980 STUDENT AID COMMISSION

1. Fully funded the projected need in the Cal Grant Entitlement Program and fully funded the statutory number of awards (22,500) in the Competitive Cal Grant program.	673,627,000	Adopted
2. Denied the Governor's May Revision which would have eliminated the California Work Study program and restored full funding by providing a \$3.2 million augmentation from other education savings and redirecting \$2 million from the Cal Grant T program.	5,300,000	Adopted
3. Denied the Governor's May Revision and restored funding for the Cal Grant C program, which provides grants to students enrolled in two-year or limited-term vocational and occupational training programs.	4,000,000	Adopted
4. Approved the Governor's May Revision proposal to reduce support for the Cal Grant T awards (-\$3 million); and further reduced funding Cal Grant T by an additional \$1 million, due to a recent under-subscription to the program. Fully restored funding for both the Cal Grant C program (\$4 million) and the California Workstudy Program (\$5.3 million).	Adopted	8,300,000